

**Illinois Department of Revenue
Regulations**

Title 86 Part 150 Section 150.705 Use Tax on Items that are Titled or Registered in Illinois

TITLE 86: REVENUE

**PART 150
USE TAX**

Section 150.705 Use Tax on Items that are Titled or Registered in Illinois

- a) Motor vehicles, as used in this Regulation, include passenger cars, trucks, busses, motorcycles and any kind of vehicle which is required to be titled under the Illinois Vehicle Code [625 ILCS/Ch.1].

- b) Implement of husbandry means:

Every vehicle designed and adapted exclusively for agricultural, horticultural, or livestock raising operations, including farm wagons, wagon trailers or like vehicles used in connection therewith, or for lifting or carrying an implement of husbandry provided that no farm wagon, wagon trailer or like vehicle having a capacity of more than 400 bushels or a gross weight of more than 36,000 pounds, shall be included hereunder. [625 ILCS 5/1-130]

- c) Special mobile equipment means:

Every vehicle not designed or used primarily for the transportation of persons or property and only incidentally operated or moved over a highway, including but not limited to: Ditch digging apparatus, well boring apparatus and road construction and maintenance machinery such as asphalt spreaders, bituminous mixers, bucket loaders, tractors other than truck tractors, ditches, leveling graders, finishing machines, motor graders, road rollers, scarifiers, earth moving carryalls and scrapers, power shovels and drag lines, and self-propelled cranes and earth moving equipment. The term does not include house trailers, dump trucks, truck mounted transit mixers, cranes or shovels, or other vehicles designed for the transportation of persons or property to which machinery has been attached. [625 ILCS 5/1-191]

- d) For purposes of this Section, "watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act [625 ILCS 45/3-2], a personal watercraft, or any boat equipped with an inboard motor.
- e) Where the purchaser is paying the Use Tax directly to the Department with respect to a motor vehicle, watercraft or aircraft, or with respect to an implement of husbandry or special mobile equipment as to which an optional certificate of title will be applied for to the Illinois Secretary of State, such payment shall be made separately from any other Use Tax liability or any Retailers' Occupation Tax or other liability.
- f) On receipt of the tax, the Department will provide the user with a receipt if demanded

by the user, but not otherwise, unless the tax payment relates to a motor vehicle (including a house trailer for which a display certificate is required), watercraft or aircraft, in which case the Department will try to see that the user receives a receipt even if no request therefor is made. The same comments apply to an implement of husbandry or special mobile equipment for which an optional title is being sought.

- g) However, the user is urged not to fail to request a receipt from the Department when paying the Use Tax with respect to the selling price of a motor vehicle, watercraft or aircraft, or with respect to an implement of husbandry or special mobile equipment for which an optional title is being sought, either to the Department or to a retailer. Such receipt will be needed in securing an Illinois title to the watercraft from the Department of Natural Resources; or to the motor vehicle, implement of husbandry or special mobile equipment for which an optional title is being sought from the Illinois Secretary of State; or a certificate of registration for the aircraft from the Illinois Department of Transportation, Division of Aeronautics.
- h) When a purchaser pays the tax directly to the Department on a motor vehicle, watercraft or aircraft, or on an implement of husbandry or special mobile equipment for which the purchaser is seeking an optional title, so that the tax is being paid on a transaction by transaction basis, the purchaser should also send the Department a copy of the Bill of Sale or Dealer's Invoice relating to such property for examination.
- i) *In addition, beginning January 1, 2001, with respect to motor vehicles, aircraft, watercraft, and trailers (and implements of husbandry or special mobile equipment for which the purchaser intends to apply for an optional title), a purchaser of such tangible personal property for use in this State, who purchases such tangible personal property from an out-of-state retailer, shall file, with the Department, upon a form prescribed and supplied by the Department, a return for each such item of tangible personal property purchased, except that if, in the same transaction:*
 - 1) *a purchaser of motor vehicles, aircraft, watercraft, or trailers who is a retailer of motor vehicles, aircraft, watercraft, or trailers purchases more than one motor vehicle, aircraft, watercraft, or trailer for the purpose of resale; or*
 - 2) *a purchaser of motor vehicles, aircraft, watercraft, or trailers purchases more than one motor vehicle, aircraft, watercraft, or trailer for use as qualifying rolling stock (see 86 Ill. Adm. Code 130.340) as provided in Section 3-55 of the Act,*

then the purchaser may report the purchase of all motor vehicles, aircraft, watercraft, or trailers involved in that transaction to the Department on a single return prescribed by the Department. [35 ILCS 105/10] For purposes of the exception in subsection (i)(2) above, purchasers may only report multiple purchases of items of like kind and character on a single return. For example, purchasers may report the purchase of 15 motor vehicles on a single return. However, purchasers may not report the purchase of 10 trailers and 5 motor vehicles on a single return. Such a purchase requires one return for the trailers and a second return for the motor vehicles.
- j) For information concerning the procedure to be followed in accounting for the tax when the purchaser buys a motor vehicle, watercraft or aircraft (or an implement of husbandry or special mobile equipment for which the purchaser is going to apply for an

optional title) at retail in Illinois and pays the tax to the retailer rather than directly to the Department, see Section 130.540 of the Retailers' Occupation Tax Regulations (86 Ill. Adm. Code 130).

(Source: Amended at 25 Ill. Reg. 25 Ill. Reg. 6540, effective May 3, 2001)